

SCOTT M. MATHESON
Governor



Route *KMP*
M.S.M.

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

I. DANIEL STEWART
Chairman

CHARLES R. HENDERSON
JOHN L. BELL
THADIS W. BOX
C. RAY JUVELIN

CLEON B. FEIGHT
Director

September 12, 1978

Mr. Andrew M. Speth
440 South 2nd West
Providence, Utah 84332

Re: Andrew M. Speth
Tungsten Mine
ML-34601
Box Elder County, Utah
PRO/003/006

Dear Mr. Speth:

The State of Utah Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, establishes the Division of Oil, Gas, and Mining as the regulatory authority regarding mined land reclamation within the state. Please find enclosed for your information, a copy of the Act and the Rules and Regulations, along with the recently adopted Changes and Additions to the Rules and Regulations.

As mentioned during our telephone conversation on September 5th operations which mine less than 500 tons of material in 12 consecutive months or disturb less than 2 acres of land during a 12 consecutive month period are exempt from filing a reclamation plan. All that is required of the operator in this instance is the filing of a Declaration of Exemption, MR Form 4, which you have done.

Operations involving state mineral leases are required, under terms of their lease agreement with the Division of State Lands, to reclaim all disturbances no matter what size disturbance it is. In these instances the Division of Oil, Gas, and Mining computes a bond, a dollar amount estimated to be the cost of reclamation should the operator fail to reclaim the area upon termination of the operation. This bond is held by the Division of State Lands until reclamation is completed.

After visiting the proposed site of your tungsten mine and talking with you on the telephone it is still our contention that your operation will qualify as a mining operation under Section 40-8-4(6) of the Utah Mined Land Reclamation Act. This means that you are required to file a Notice of Intention to Commence Mining Operations (MR Form 2), and a commitment to Rule M-10 (MR Form 8), which you will also find enclosed. 4

*a Mining and Reclamation Plan
(MR Form 2)*

Mr. Andrew M. Speth

September 12, 1978

Page two

As we discussed, you are responsible for all disturbances regardless of the surface ownership. Therefore, the last three mile section of access road, which is currently nothing more than a jeep trail and which will have to be upgraded, is considered to be a part of the acreage disturbed. However, the portion of the road lying on private property may be excluded from actual reclamation should a post-mining use for the road exist and the land owner so states in writing that it is their desire for the road to remain in a stable open condition.

Before final approval for your operation can be granted there are certain requirements which must be met. First, the appropriate forms must be filed with the Division of Oil, Gas, and Mining including a detailed description of your proposed operation and reclamation plans, along with a detailed map showing all the surface features and facilities, both existing and proposed. Upon satisfactory completion of this step, since this involves state land, an environmental assessment must be prepared and presented to the State Environmental Coordinating Committee for comments and clearance by the various state agencies. If there are no problems, then tentative approval can be granted and an abbreviated mining and reclamation plan is published in all local newspapers and one statewide newspaper to solicit public comment. During the thirty (30) day waiting period after publication the Division of Oil, Gas, and Mining will estimate the previously mentioned reclamation bond. Then, upon approval of the form and amount of surety by the Board of Oil, Gas, and Mining, and receipt of the surety by the Division of State Lands, final approval is granted and mining operations may commence.

To keep your bond as low as possible, and the disturbance to a minimum, you may wish to separate your overall mining plan into individual operations for a given time period, then reclaim that portion before moving into the next phase. For instance, as we discussed during our telephone conversation, you may want to begin with the proposed pit operation with an expected life of the operation to be four or five years. Then, upon completion of that phase you perform the required reclamation and file an amendment to your plan to move into the next phase such as the portal or shaft operation, and so on down the line. The bond estimate also has a 5 percent inflation factor added to it to try and cover the actual cost of reclamation at the end of the operation. This is another reason for phasing your overall operation into shorter time frames.

If you have any questions or need any assistance in putting your plan together please don't hesitate to call.

Sincerely,

James W. Smith Jr. (sp)

JAMES W. SMITH JR.

RECLAMATION SOILS SPECIALIST

JWS/sp

enc: Act, Changes and Additions,

MR Forms 1, 2, and 8

cc: John Blake,

Division of State Lands